BSSG Meeting minutes

6th May 2009

Attendees

Malcolm Arthur, National Grid
Bushra Akhtar, National Grid
Tom Ireland, National Grid
Jonathon Atyeo, GDF
James Evans, British Energy
Peter Twomey, UUES
Carole Hook, National Grid
Katharine Clench, National Grid
Raoul Thulin, RWE
Claver Chitambo, RES
Campbell McDonald, SSE
John Morris, British Energy

Apologies

Claire Maxim, EON
Christopher Proudfoot, Centrica
James Evans, British Energy

1. Introductions

Bushra Akhtar and Tom Ireland introduced to the working group.

2. CAP169

2a. Overview

Working Group went over minutes and actions of last meeting. No points were raised. Carole advised the Terms of Reference (TOR) for the meeting have been agreed and signed off by Working Group and are available on National Grid's website.

2b. Overview where we are

Recap was provided for parts 1, 2 and 3 with agreement to focus on part 3 of the report.

The working group went over actions from the last meeting:

Action 1: Governance

The governance of the aggregation of reactive power metering methodology document was discussed. National Grid felt that the procedure for making a change to the document was transparent and no governance change was required. The Working Group felt that there should be a formal governance process. A question was raised on how changes would be managed in absence of formal Code Governance. The group were assured that any changes would be opened up for discussion either in the BSSG group or circulated.

Question was asked on how changes in 2007 were managed.

Action: Katharine Clench to look up how changes were managed in 2007.

Question was raised by the Working Group on the document becoming a schedule of the CUSC. National Grid provided assurance that it had an open policy to raise changes and any concerns regardless of whether or not a formal process was in place.

The group discussed if the document should go into the CUSC as an additional Schedule. The group agreed for it to not go into the CUSC as it would be more difficult to make changes.
Action: National Grid to look methods that would provide transparency to the change control process which is visible, transparent and flexible.

Action 2: Impact on CAP169 and software
National Grid confirmed that no changes were required to EDL/EDT for CAP169

Action 3: To be covered later

Action 4: Peter Twomey reported back on how the connection of a new embedded generator would impact an existing embedded generator if the new generator introduced a voltage constraint. He advised that no changes would be made on the existing generator agreement but that this policy may be revised in the future.

Action 5: Separate agenda item to be covered later.

Action 6: View on possible alternative state reactive capability requirement for embedded generators under restriction. National Grid's view was that the solution was disproportional and the 20% payment was more appropriate.

It was felt that it would not be appropriate to take this forward as it would introduce complications.

Action 7: To be covered later in agenda.

Action 8: No additional obligations placed on providers

2c Discussion of Proposal
The Working Group were asked if they had any comments on the drafting as no comments had been received to date. No comments were made. The Working Group agreed to focus on part three of the draft and were reminded that the text drafting had not yet been legalised.

The Working Group discussed the Grid Code, Constraint Reaction Despatch Instruction.

Change 1: CUSC Drafting
Within the CUSC drafting specific references should be made to the Commercial Boundary. Whilst this is not the transmission entry point it is important to facilitate turning off payments.

Change 2: Grid Code Drafting
Change introduced to section PCA3.2.2 an additional part 'D' has been added and D changed to E.

The Working Group discussed the possible incentive for a restriction to be temporarily removed to prevent the 12 month reactive restriction period from being met. Whilst there may be no incentive on the DNO to remove the restriction it was agreed that a prudent approach would be to specify that the 12 month period may be non-consecutive within a specified period longer than 12 months (e.g. 24 months).

The group discussed whether it was appropriate for the communication to be made by DNOs and/or embedded generators. It was initially felt that as the restriction was imposed by the DNO the onus should be on the DNO. However as there is no incentive on the DNO to communicate removal of such restrictions in an expeditious manner and the generator has a direct relationship with National Grid it was felt it should also be a requirement on the generator. Therefore the group agreed that communication should be made by both.

The Working Group wanted to clarity that the restriction was imposed due to a network operational restriction rather than capability. It was agreed that the Generator Performance Chart should be amended to ensure that it was clear which form of restriction was being communicated.
Action: Tom Ireland to find out the reasons for restrictions.

2e Discussion of Alternative

Carole Hook provided a recap of the amendment alternatives. The Working Group was advised that the process was in 'draft' stage until the consultation was complete.

WGAA1
The options available were explained:

- Full payment until 12 months is exceeded, with 80% clawed back subsequently and 20% applying until notice of removal of restriction is received
- Specific notification of 12+ month restriction until notice of removal of restriction is received
- May be a non-consecutive 12 month period in the event that the restriction is temporarily removed

Question was asked if National Grid's proposal would result in equitable treatment. It was felt it would be more equitable if for the first 12 month full payment was made then after 12 months partial payment. The 12 month period could be a non-consecutive. The group were happy with this but wanted the period to be specified and tightened up in the drafting. The Working Group also discussed when the reduced payment would most appropriately be applied. It was initially suggested that it should be applied for the full time a restriction was in place (with either the length of time for the restriction communicated up front, or 80% of the previous 12 months payment being clawed back once 12 months had been exceeded). The Working Group discussed that this may introduce inequitable treatment for generators during the initial 12 months (for instance with a restriction lasting just under 12 months resulting in full payment for the duration of the restriction whilst a restriction lasting just over 12 months would result in a 20% payment for the duration of the restriction). The group agreed that it would be more equitable for the 20% payment to apply only once the initial 12 months has been exceeded.

Action: To revise alternatives based on the above.
Action (All): to read the next set of changes and review before next meeting (section 1.1.6 and BC2 appendix 3).

WGAA2
No discussion, Working Group were happy with drafting.

No further comments

Action (All): All to review section and email any comments.

The Working Group discussed the proposed implementation date, with National Grid suggesting that CAP169 should be implemented 3 months after an Authority decision to allow all MSAs which require amendment to be prepared. The group agreed that this seemed reasonable.

The group discussed CAP169 against the applicable CUSC objectives. National Grid reiterated the view outlined in the original Amendment Proposal. RT raised a concern over the facilitation of competition, due to the possible ability for National Grid to choose to instruct a generator under restriction within the restricted range (receiving a 20% payment) as an alternative to a generator for which full payment would be required. The introduction of differential rates was considered by some members of the group to not better facilitate competition. Other members of the WG reflected that the 20% proposed was in fact more favourable than some generators receive which have full capability but are instructed to 0 mvar on a continual basis.

2g. Working Group time scales.

In order for the proposal to be reviewed for the next CUSC Working Group meeting the CAP 169 proposal will have to be issued next week and the draft proposal will have to be issued next week. The Working Group were presented with a timetable of deadlines they were working to meet the next CUSC Working Group deadline and were asked if comfortable with working to these timescales. An alternative approach was suggested to ask the Panel for an extension at the next CUSC meeting. This would mean that the next earliest date the proposal could be presented is around July 2009.

Action: Carole Hook to send out proposal for review Monday 11th May.
Action: All to review document and respond back by Thursday 14th May with either their comments or an extension.
Action: All to provide any comments regarding anything on today's discussion.
Action: Tom Ireland to prepare a paper for the Grid Code review panel.

Katharine Clench discussed the metering methodology. A draft document has been sent out however no comments have been received. Katharine Clench asked if it was possible for parties to respond with their comments.

3. Reactive Power Market Tender Review Update

Working Group were advised that the document will be available on website in due course. Minor changes were required to CUSC as a result of the review which will be raised as CUSC modifications.

Action: Katharine Clench to publish document and provide overview of areas of change.

The Working Group revisited CAP169 and the importance of the meeting date. Importance was raised of the number of attendees for voting reasons.

4. Frequency Response

This is to do with calculation methodology of frequency response. Current volume calculation methodology anchors the capability matrix of the unit at MEL. As the unit

output moves towards SEL, the HF capability reduces to zero at SEL. However, as the capability calculation is anchored to MEL, if MEL is reduced, the capability shifts beyond SEL, indicating that there is additional HF response beyond the units capability.

The preferred option would be difficult to implement due to software limitations.
Action: Malcolm Arthur to look at impacts of options on National Grid systems and report back to Working Group.

5. AOB
None

6. Next Meeting
This would be held first week in June providing no extension was required.